



S. 294 – Passenger Rail Investment and Improvement Act

FLOOR SITUATION

S. 294 is being considered on the House floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Senator Frank Lautenberg (D-NJ) on January 16, 2007. The bill was passed by the Senate on October 30, 2007 by a vote of 70-22. S. 294 is expected to be considered on the House floor on July 22, 2008.

Note: The House passed an Amtrak reauthorization measure, H.R. 6003 on June 11, 2008, by a vote of 311-104. The House is expected to consider S. 294 with the Senate language stricken and the text of H.R. 6003 inserted, as well as a request to go to conference with the Senate.

SUMMARY

H.R. 6003 reauthorizes Amtrak through fiscal year 2013. The bill authorizes \$14.9 billion for capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years.

Tunnel Project: H.R. 6003 authorizes \$60 million over five years for a new rail tunnel alignment in Baltimore, Maryland, that will enable increased train speed and service reliability and ensure the completion of an environmental review.

Modern Financial Accounting System: The bill authorizes the Amtrak Board of Directors to employ an independent financial consultant with experience in railroad accounting to assist in implementing an improved accounting and reporting system. Amtrak is required under this legislation to submit a detailed report to Congress that allocates revenues and costs to each route, line of business, and each major activity within a route or line of business. Amtrak is also directed to submit a five year financial plan to the Secretary of Transportation and the Inspector General for the Department of Transportation (DOT).

Northeast Corridor: H.R. 6003 establishes the Northeast Corridor Infrastructure and Operations Advisory Commission to develop recommendations for the Northeast Corridor rail infrastructure and operations. The bill requires Amtrak to conduct a study to determine improvements needed to provide regular Acela service between Washington, D.C. and New York City in 2 hours and 30 minutes, 2 hours and 15 minutes, and 2 hours, and between New York City and Boston in 3 hours and 15 minutes, 3 hours, and in 2 hours and 45 minutes.

**Note: The Acela Express is the fastest train in North America, with a normal speed of 150 mph on a 35-mile portion of its route between Boston and New Haven. Otherwise, its top speed is generally 135 mph between Boston and Washington D.C.*

Debt Restructuring: The bill allows the Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, to restructure and repay Amtrak's debt. In addition, it prohibits Amtrak from incurring additional debt without the approval of the Secretary of the Treasury. The Secretary of the Treasury is required to report to the relevant Congressional committees regarding the details of any agreements to restructure the Amtrak debt and to provide an estimate of cost savings to Amtrak and the United States government.

Plan for Restoration of Service: H.R. 6003 requires Amtrak to provide a plan for restoring passenger rail service between New Orleans, Louisiana, and Sanford, Florida, within nine months of the date of enactment. The bill authorizes \$1 million for this provision.

**Note: Passenger rail service between New Orleans and Sanford was suspended as a result of Hurricane Katrina in 2005.*



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Locomotive Biofuel Study: This section requires the Administrator of the Federal Railroad Administration (FRA), in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to conduct a study to determine the extent to which freight and passenger rail operators could use biofuel blends to power its locomotive fleet. The bill authorizes \$1 million for this study.

Buy American: H.R. 6003 subjects Amtrak to the Buy American Act for purchases of \$100,000 or more.

State Rail Plans: The bill allows states to prepare a State rail plan to set forth state policy involving freight and passenger rail transportation, to present priorities and strategies to enhance rail service in the State that benefits the public, and to serve as the basis for Federal and State rail investments within the State.

Intercity Passenger Rail Investment Grants: H.R. 6003 allows the Secretary of Transportation to make grants to assist in financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail service. The Secretary may not approve a grant for a project unless it is a part of a State Rail plan. In addition, the bill requires workers employed with funds provided under this section to be paid according to Davis-Bacon Act requirements.

Next Generation Corridor Train Equipment Pool: The bill requires Amtrak to establish a Next Generation Corridor Equipment Pool Committee, made up of representatives from Amtrak, the FRA, freight railroads, equipment manufacturers, and other passenger rail operators. The Committee is responsible for designing and developing specifications for, and the procurement of standardized next-generation corridor equipment.

Passenger Rail System Comparison Study: H.R. 6003 requires the Comptroller General of the United States to complete a study, within one year of the date of enactment, that compares the passenger rail systems in Canada, Germany, Great Britain, England, France, China, Spain, and Japan.

High-Speed Rail: The bill allows the Secretary of Transportation to establish and implement a high-speed rail corridor grant program. H.R. 6003 authorizes \$350 million for each of fiscal years 2009 through 2013. In addition, the bill requires the Secretary of Transportation to request proposals for projects for the financing, design, construction, and operation of an initial high-speed rail system between Washington, DC, and New York City. The bill requires workers employed with funds provided under this section to be paid according to Davis-Bacon Act requirements.

BACKGROUND

Amtrak, also known as the National Passenger Railroad Corporation, was created by Congress in 1970 to provide passenger rail service between cities. Amtrak currently operates a nationwide rail network that serves more than 500 destinations in 46 states on 21,000 miles of routes and employs nearly 19,000 employees.

In 1997, the Amtrak Reform and Accountability Act (P.L. 105-134) authorized Amtrak through December 2002 and required Amtrak to operate without federal assistance after 2002. Although the authorization has expired, Amtrak continues to operate in a deficit, and Congress has provided funding assistance each year. Amtrak earned \$2.15 billion in revenue and incurred costs of \$3.18 billion during fiscal year 2007. In fiscal year 2008, Congress appropriated \$1.325 billion for grants to Amtrak, as well as \$30 million for state matching grants for passenger rail capital improvements. President George W. Bush requested \$900 million for Amtrak for fiscal year 2009.

According to Amtrak, more than 25.8 million passengers rode their trains during fiscal year 2007. The three most utilized Amtrak routes during fiscal year 2007 were the Boston to New York City to Washington, DC, portion of the Northeast Corridor which carried more than 10 million passengers in fiscal



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year 2007; the Surfliner Service which carried more than 2.7 million passengers in Southern California; and the Capitol Corridor Service which carried more than 1.45 million passengers in Northern California.

COST

According to the Congressional Budget Office (CBO), implementing the legislation “would cost \$12.4 billion over the 2009-2013 period.” [Full CBO Cost Estimate](#)

STAFF CONTACT

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